living there. Will the Government provide assistance to implement all the schemes in Vasai Taluka?

[English]

DR. U. VENKATESWARLU : Sir, as I have already mentioned, it is under Urban Agglomeration. Let the State Government take up this issue. Let it delink these towns from Urban Agglomeration. If the State Government writes to me after delinking these towns from Urban Agglomeration, our Ministry will certainly examine it.

The hon. Members will appreciate that even the definition of 'Urban Agglomeration' is also being done by the State Government and they are communicating it to me. So, they can as well delink some of these towns from Urban Agglomeration and come up. I will certainly examine it and do the needful.

MR. SPEAKER : I think so.

Power Tariff for Agriculture Sector

*186. SHRI BANWARI LAL PUROHIT : Will the PRIME MINISTER be pleased to state :

(a) whether the Government propose to phase out power subsidies and have issued guidelines to State Governments to impose basic minimum tariff for the farm sector;

(b) if so, the details thereof;

(c) whether the State Governments have opposed the phasing out of the power subsidies; and

(d) if so, the further steps Government propose to take to ensure farm sector is not affected adversely on power subsidy?

THE MINISTER OF STATE IN THE MINISTRY OF POWER AND MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (DR. S. VENUGOPALACHARI) : (a) to (d). A Statment is laid on the Table of the House.

STATEMENT

(a) and (b). The tarriff for sale of electricity to the different categories of consumers, including the agricultural sector, and the extent of subsidy to be provided is fixed by the SEBs with the approval of the concerned State Governments. In the Power Ministers' Conference held in January, 1993 a unanimous decision was taken to fix the minimum agricultural tariff at 50 paise/kwh throughout the country. This decision was to be implemented by the individual State Governments/ SEBs.

(c) and (d). No, Sir. In the recent Chief Ministers' Conference held on 16.10.1996, a number of states expressed the need for setting up a National/State Electricity Regulatory Commission to rationalise power tariff, including agricultural tariff.

[Translation]

SHRI BANWARI LAL PUROHIT : Mr. Speaker, Sir, I had the opportunity to hear Prime Minister's speeches on as many as 50 occasions since the day he took oath of the office of the Prime Minister. On each and every occasion he claimed to be farmer's son and was prepared to do anything in the farmer's interest. When the question of providing power at subsidised rates comes, he says that subsidy is to be given by the power houses. I want to know as to what assistance will be provided by the Central Government in this regard. It is very essential that the Central Government should supply power to farmers at cheap rates, because the farmers cannot do anything without water. I want a categorical reply from the hon. Minister as to what will be the role of the Central Government to provide power at cheap rates. Merely delivering sermons will not serve any purpose. It is being said that power is being supplied at Rs.0.50 per unit. I want to know the name of the State which is supplying power at this rate. I want a categorical reply from the hon. Minister about the policy of the Government on subsidy. What the Central Government is doing to supply power to farmers at cheap rates.

MR. SPEAKER : You have asked the same question 4 times.

[English]

DR. S. VENUGOPALACHARI : As per the Electricity Supply Act, 1948, the electiricty tariff and the extent of subsidy are decided by the State Electricity Board with the approval of the State Government concerned only. The Central Government has no role in fixing the retail sale of electricity applicable to any category of consumers including consumers from agriculture and domestic sectors. Since the question raised is about the issue of minimum tariff and the power sector, we applied that in the power Ministers' meeting. A similar type of meeting, a Conference was held in the year 1993. At that time, all the Chief Ministers of Power Minister arrived at a consensus to fix the tariff to at least 50 paise. That is the consensus arrived at in the Conference held in the year 1993 only. Now the Central Government has no role in fixing the tariff of the State Electricity Boards.

[Translation]

SHRI BANWARI LAL PUROHIT : That means the farmers have been left at the mercy of God ...*(Interruptions)* The entire country heard the stand of Government on subsidy that it cannot do any thing in this regard. I would like to submit that while fixing the price of petrol, diesel and gas, transportation charges from the place of their availability are taken into accent but in the case of electricity transmission charges are not included while fixing its price. The rates are equal both at the site of generation and at the place of consumption at a distant place. How for it is justified. Electricity is generated in Vidarbh and supplied to other parts of the country but there is no difference in rates

at Vidarbha and other places. The rate is same in Vidarbha, Mumbai, Delhi and all over the country. Electricity is available at cheap rates at the place of generation. Transmission of electricity involves losses thereby increasing the capital cost. Could the Central Government take a decision to provide electricity at cheaper rates at the place of its generation?

[English]

MR. SPEAKER : I do not think it is relevant.

SHRI BANWARI LAL PUROHIT : This is very, very relevant. You please read the answer under parts (b) and (d).

MR. SPEAKER : All right, I concede.

DR. S. VENUGOPALA CHARI : Sir, as you know, electricity is a concurrent Subject of both the State and the Centre. No doubt, the hon. Prime Minister is claiming himself as a son of an agriculturist. That is why, we have initiated steps to give almost all the incentive to the agriculture sector. The average cost of supply of electricity is rupee one to two and for agriculture, we have realised only 19 paise.

About the revenue charged on electricity and rationalisation of tariff structure, yesterday also, the hon. Prime Minister convened a meeting of all the Chief Ministers. Further, all the hon. Chief Ministers of BJP also participated. They agreed in totality to a draft common minimum national action plan. We are setting up a State Regulatory Commission, one at the Central level and another at the State level. We are soon coming with a National Electricity Policy. Regarding the State Electricity Regulatory Commission, the two part tariff structure and the single part tariff structure, yesterday we had a meeting for about two to three-and-half-a-hours. In that meeting, all the Chief Minister have accepted this action plan. They also suggested a guideline. With that guideline, we will finalise the draft action plan.

SHRI BANWARI LAL PUROHIT : Sir, I need you protection.

[Translation]

Mr. Speaker, Sir, is it the reply to my question. My questions is very simple. When petrol is transported from the productions site to distribution site, the transportation charges are taken into account while fixing price. But this is not the case with electricity. Will the Government not take this point into account while fixing price. But this is not the case with electricity. Will the Government not take this point into consideration? The hon. Minister is not giving the reply as to what is the policy of the Government in this regard.

[English]

MR. SPEAKER : Right from the beginning, I had expressed my doubt about the relevancy of your Question. The Question is about subsidy to the agricultural sector. You are talking about power tariff. How can the Minister answer?

SHRI BANWARI LAL PUROHIT : You Please read the reply.

MR. SPEAKER : No, he cannot answer on power tariff.

SHRI BANWARI LAL PUROHIT : Sir, I need your protection. please read the reply 'the Commission to rationalise the power tariff'. This is about rationalisation of power tariff.

MR. SPEAKER : Okey.

DR. S. VENUGOPALACHARI : No, Sir. We are giving extra power to those plants which are located in one state. We are giving extra power to those plants which are located in one State. We are giving the 15 per cent unutilised quota, to the remaining States and the rate is the same. There is no question of difference in the rate ...*(Interruptions)*

KUMARI MAMATA BANERJEE : Sir, I am very grateful to you that you have allowed me to speak. Instead of giving extra power to the power sector, they are misusing their power. This Government said that this is their commitment and they will protect the agricultural sector. But do you know that in West Bengal, the Sate Electricity has increased the power tariff by 15 per cent to all the sectors including the agriculture sector? So, what subsidy do you propose to give to the agriculture sector?

Sir, I want your protection about a particular matter. This is also related to every M.P. If we ask electrification for a particular area, the State Electrictiy Board is guiding us and writing to us that we should finance this from the money under the M.P. Local Area Development Fund. If we spend money for this purpose, from this Fund, then Rs. one crore will not be enough even for a particular village.

I would like to know whether they can guide us like this or not. The State Electricity Board is behaving like a big boss. I would like to know from the hon. Minister whether the supports this view of the State Electricity Board or not.

Secondly, what happened to the subsidy to the agriculture sector? Please give a categorical reply to the House...*(Interruptions)*

[Translation]

DR. S. VENUGOPALACHARI : Mamtaji's ire is against West Bangal and not me.

MR. SPEAKER : Please try to appreciate some humour at least.

DR. S. VENUGOPALACHARI : Sir, as per the present procedure, supply of electricity is not looked after by the Central Government. It is the duty of the State Electricity Boards to fix the tariffs for agriculture, commercial and industrial sectors. It is a concurrent

subject with 50 per cent responsibility with the State Government and 50 per cent with the Central Government. The Central Government will not look into the tariff structure.. *(Interruptions)*

KUMARI MAMATA BENERJEE : Sir, who will finance it? The State Governments are increasing the tariffs. Why are you not giving any subsidy to the agriculture sector?...*(Interruptions)*

SHRI S. BANGARAPPA : Sir, our economy is an agricultural economy unlike the industrial economies that we find in the developed countries. The farming community is faced with a lot of difficulties on account of natural calamities relating to either drought conditions or heavy snowfall conditions like cyclone, etc. I want to ask the hon. Minister of State in the Ministry of Power and Minister of State in the Ministry of Non-conventional Energy Sources: Since the Government's declared policy is in favour of the farming community as such, by and large, do you not feel that you must pull up all the State Electricity Boards which have to take all the decisions either giving certain tariff incentives or subsidy incentives, etc.?

MR. SPEAKER : Shri Bangarappa, you have only ten seconds more. Please ask your question.

SHRI S. BANGARAPPA : Therefore, the farming community have to be given a lot of incentives in respect of two areas. One is subsidy in the agricultural operations including power to their pumpsets and also the concession in the area of power tariff. *(Interruptions)* The Government has proposed many things in favour of the farming community. Do you not feel that a lot of subsidies and also tariff concessions are to be given to the farming community? As a matter of fact, the United Front Government's declared policy is in favour of the farming community. Then, accordingly, will you give suitable instructions to all the State Governments to extend all the facilities to the farming community? ...*(Interruptions)*

DR. S. VENUGOPALACHARI : Sir, as the hon. Member, Shri Bangarappa knows, agriculture continues to be subsidised by the respective State Governments only. In the past two or three months, we have been having discussions and consultations with the Secretaries of the Departments of Power and the concerned Electricity Boards. Yesterday, the hon. Prime Minister also has convened the Chief Ministers' meeting for this purpose. Soon, we are finalising the Draft Common Minimum National Action Plan for Power. It covers all the points raised by the hon. Member ...*(Interruptions)*

[Translation]

SHRI VISHVESHWAR BHAGAT : Mr. Speaker, Sir, Shri Purohit made a submission to provide subsidy in power tariff to farmers. In Madhya Pradesh farmers are provided electricity free of cost. Do the Central Government propose to give subsidy to Madhya Pradesh as special assistance?

[English]

DR. S. VENUGOPALACHARI : No, Sir ...*(Interruptions)*

WRITTEN ANSWERS TO QUESTIONS

[English]

Royalty on Petroleum

*187. SHRI SRIBALLAV PANIGRAHI :
SHRI MAHESH KANODIA :

Will the PRIME MINISTER be pleased to state :

(a) the present arrangement/procedure in deciding royalty on petroleum and petroleum products to States;

(b) whether the Union Government have taken notice of the meeting to be convened by the Chief Minister of Gujarat of all oil producing States in the country to give them royalty in kind instead of cash;

(c) if so, the reaction of the Union Government thereto; and

(d) the amount of royalty paid during each of the last three years, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) Royalty on crude oil and natural gas is governed by the provisions of the Oilfields (Regulation and Development) Act, 1948 and the Petroleum and Natural Gas Rules, 1959.

(b) and (c) The Government is not aware of any such meeting.

(d) A statement is attached.

STATEMENT

(Rs. crores)

	1993-94		1994-95		1995-96	
	Crude Oil	Natural Gas	Crude Oil	Natural Gas	Crude Oil	Natural Gas
	1	2	3	4	5	6
Gujarat	306.72	29.12	320.41	29.75	327.16	37.53
Assam	239.87	4.25	254.15	3.63	250.99	3.72